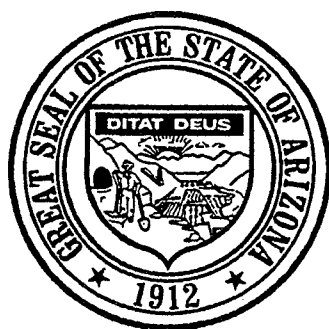


TITLE 16

CHAPTER 6

Arizona Revised Statutes

Campaign Contributions and Expenses



**Issued by
JANE DEE HULL
Secretary of State**

September 1995

CAMPAIGN CONTRIBUTION LIMITS

Revised March 8, 1995

	<u>LOCAL OFFICES</u> Candidate or Authorized Candidate's Committee	<u>STATEWIDE OFFICES</u> Candidate or Authorized Candidate's Committee
Individual's contribution to a candidate A.R.S. §16-905(A)(1) A.R.S. §16-905(B)(1)	\$270	\$690
Political Committee's contribution to a candidate A.R.S. §16-905(A)(2) A.R.S. §16-905(B)(2)	\$270	\$690
Committees certified by the Secretary of State to give at the upper limit A.R.S. §16-905(H) A.R.S. §16-905(A)(3) A.R.S. §16-905(B)(3)	\$1,370	\$3,440
Combined total from all Political Committees other than political parties A.R.S. §16-905(C)	\$6,870	\$68,670
Nominee's total from political party and all political organizations combined A.R.S. §16-905(D)	\$6,870	\$68,670
Candidate's obligated or contributed personal monies * A.R.S. §16-905(F)	\$10,750	\$21,500
Total contributed by an individual to candidates and committees who give to candidates A.R.S. §16-905(E)	\$2,560 in a calendar year	

Contribution amounts are adjusted biennially by the office of the Secretary of State pursuant to A.R.S. §16-905(I).

- * If a candidate exceeds this amount, the candidate shall, within 24 hours, give written notice of the amount contributed or promised and of the total funds received by the candidate as of the date of the notice, to all other candidates for the same office and to the filing officer of the jurisdiction in which he or she is a candidate. Limits are then lifted for those other candidates and contributors to those candidates, until they receive either contributions totaling the amount of personal monies contributed or promised by the candidate giving the notice, as measured from the date the notice is received, or receive total funds equal to or greater than the amount of total funds set out in the notice, whichever occurs first.

For each additional accumulation of \$5,380 for local candidates or \$10,750 for statewide candidates, the candidate shall, within 24 hours, give written notice as prescribed above.

If any notice prescribed is not timely, an additional \$540 limit is lifted for the other candidates for each day the notice is delinquent.

The amount of contributions that a candidate may receive which are not subject to these limitations shall not be greater than the largest amount of personal contributions, plus any additional amounts due to delinquent notices, made by any other single candidate for the same office.

REVISED 4/95

CHAPTER 6

CAMPAIGN CONTRIBUTIONS AND EXPENSES

ARTICLE 1. GENERAL PROVISIONS

§16-901. Definitions

(L94, Ch. 379, Sec. 1.)

1. "Agent" means, with respect to any person other than a candidate, any person who has oral or written authority, either express or implied, to make or authorize the making of expenditures as defined in this section on behalf of a candidate, any person who has been authorized by the treasurer of a political committee to make or authorize the making of expenditures or a political consultant for a candidate or political committee.

2. "Candidate" means an individual who receives or gives consent for receipt of a contribution for his nomination for or election to any office in this state other than a federal office.

3. "Candidate's campaign committee" means a political committee designated and authorized by a candidate.

4. "Clearly identified candidate" means that the name, a photograph or a drawing of the candidate appears or the identity of the candidate is otherwise apparent by unambiguous reference.

5. "Contribution" means any gift, subscription, loan, advance or deposit of money or anything of value made for the purpose of influencing an election and:

(a) Includes all of the following:

(i) A contribution made to retire campaign debt.

(ii) Money or the fair market value of anything directly or indirectly given or loaned to an elected official for the purpose of defraying the expense of communications with constituents, regardless of whether the elected official has declared his candidacy.

(iii) The entire amount paid to a political committee to attend a fund-raising or other political event and the entire amount paid to a political committee as the purchase price for a fund-raising meal or item, except that no contribution results if the actual cost of the meal or fund-raising item, based on the amount charged to the committee by the vendor, constitutes the entire amount paid by the purchaser for the meal or item, the meal or item is for the purchaser's personal use and not for resale and the actual cost is the entire amount paid by the purchaser in connection with the event. This exception does not apply to auction items.

(iv) Unless specifically exempted, the provision of goods or services without charge or at a charge that is less than the usual and normal charge for such goods and services.

(b) Does not include any of the following:

(i) The value of services provided without compensation by any individual who volunteers on behalf of a candidate, a candidate's campaign committee or any other political committee.

(ii) Money or the value of anything directly or indirectly provided to defray the expense of an elected official meeting with constituents if the elected official is engaged in the performance of the duties of his office or provided by the state or a political subdivision to an elected official for communication with constituents if the elected official is engaged in the performance of the duties of his office.

(iii) The use of real or personal property, including a church or community room used on a regular basis by members of a community for noncommercial purposes, that is obtained by an individual in the course of volunteering personal services to any candidate, candidate's committee or political party, and the cost of invitations, food and beverages voluntarily provided by an individual to any candidate, candidate's campaign committee or political party in rendering voluntary personal services on the individual's residential premises or in the church or community room for candidate-related or political party-related activities, to the extent that the cumulative value of the invitations, food and beverages provided by the individual on behalf of any single candidate does not exceed one hundred dollars with respect to any single election.

(iv) Any unreimbursed payment for personal travel expenses made by an individual who on his own behalf volunteers his personal services to a candidate.

(v) The payment by a political party for party operating expenses, party staff and personnel, party newsletters and reports, voter registration and efforts to increase voter turnout, party organization building and maintenance and printing and postage expenses for slate cards, sample ballots, other written materials that substantially promote three or more nominees of the party for public office and other election activities not related to a specific candidate, except that this item does not apply to costs incurred with respect to a display of the listing of candidates made on telecommunications systems or in newspapers, magazines or similar types of general circulation advertising.

(vi) Independent expenditures.

(vii) Monies loaned by a state bank, a federally chartered depository institution or a depository institution the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration, other than an overdraft made with respect to a checking or savings account, that is made in accordance with applicable law and in the ordinary course of business. In order for this exemption to apply, this loan shall be deemed a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or

guarantors, the loan shall be made on a basis that assures repayment, evidenced by a written instrument, shall be subject to a due date or amortization schedule and shall bear the usual and customary interest rate of the lending institution.

(viii) A gift, subscription, loan, advance or deposit of money or anything of value to a national or a state committee of a political party specifically designated to defray any cost for the construction or purchase of an office facility not acquired for the purpose of influencing the election of a candidate in any particular election.

(ix) Legal or accounting services rendered to or on behalf of a political committee or a candidate, if the only person paying for the services is the regular employer of the individual rendering the services and if the services are solely for the purpose of compliance with this title.

(x) The payment by a political party of the costs of campaign materials, including pins, bumper stickers, handbills, brochures, posters, party tabloids and yard signs, used by the party in connection with volunteer activities on behalf of any nominee of the party or the payment by a state or local committee of a political party of the costs of voter registration and get-out-the-vote activities conducted by the committee if the payments are not for the costs of campaign materials or activities used in connection with any telecommunication, newspaper, magazine, billboard, direct mail or similar type of general public communication or political advertising.

(xi) Transfers between political committees to distribute monies raised through a joint fund-raising effort in the same proportion to each committee's share of the fund-raising expenses and payments from one political committee to another in reimbursement of a committee's proportionate share of its expenses in connection with a joint fund-raising effort.

(xii) An extension of credit for goods and services made in the ordinary course of the creditor's business if the terms are substantially similar to extensions of credit to nonpolitical debtors that are of similar risk and size of obligation and if the creditor makes a commercially reasonable attempt to collect the debt, except that any extension of credit under this item made for the purpose of influencing an election which remains unsatisfied by the candidate after six months, notwithstanding good faith collection efforts by the creditor, shall be deemed receipt of a contribution by the candidate but not a contribution by the creditor.

(xiii) Interest or dividends earned by a political committee on any bank accounts, deposits or other investments of the political committee.

6. "Earmarked" means a designation, instruction or encumbrance that results in all or any part of a contribution or expenditure being made to, or expended on behalf of, a

clearly identified candidate or a candidate's campaign committee.

7. "Election" means an election for an initiative, referendum or other measure or proposition or a primary, general, recall, special or runoff election for any office in this state other than the office of precinct committeeman and other than a federal office. For purposes of sections 16-903, 16-905 and 16-905.01, the general election includes the primary election.

8. "Expenditures" includes any purchase, payment, distribution, loan, advance, deposit or gift of money or anything of value made by a person for the purpose of influencing an election in this state and a contract, promise or agreement to make an expenditure resulting in an extension of credit and the value of any in-kind contribution received. Expenditure does not include any of the following:

(a) A news story, commentary or editorial distributed through the facilities of any telecommunications system, newspaper, magazine or other periodical publication, unless the facilities are owned or controlled by a political committee, political party or candidate.

(b) Nonpartisan activity designed to encourage individuals to vote or to register to vote.

(c) The payment by a political party of the costs of preparation, display, mailing or other distribution incurred by the party with respect to any printed slate card, sample ballot or other printed listing of three or more candidates for any public office for which an election is held, except that this subdivision does not apply to costs incurred by the party with respect to a display of any listing of candidates made on any telecommunications system or in newspapers, magazines or similar types of general public political advertising.

(d) The payment by a political party of the costs of campaign materials, including pins, bumper stickers, handbills, brochures, posters, party tabloids and yard signs, used by the party in connection with volunteer activities on behalf of any nominee of the party or the payment by a state or local committee of a political party of the costs of voter registration and get-out-the-vote activities conducted by the committee if the payments are not for the costs of campaign materials or activities used in connection with any telecommunications system, newspaper, magazine, billboard, direct mail or similar type of general public communication or political advertising.

(e) Any deposit or other payment filed with the secretary of state or any other similar officer to pay any portion of the cost of printing an argument in a publicity pamphlet advocating or opposing a ballot measure.

9. "Identification" means:

(a) For an individual, his name and mailing address, his occupation and the name of his employer.

(b) For any other person, including a political committee, the full name and mailing address of the person. For a political committee, identification includes the identification number issued on the filing of a statement of organization pursuant to section 16-902.01.

10. "Incomplete contribution" means any contribution received by a political committee for which the contributor's mailing address, occupation, employer or identification number have not been obtained and are not in the possession of the political committee.

11. "Independent expenditure" means an expenditure by a person or political committee, other than a candidate's campaign committee, that expressly advocates the election or defeat of a clearly identified candidate, that is made without cooperation or consultation with any candidate or committee or agent of the candidate and that is not made in concert with or at the request or suggestion of a candidate, or any committee or agent of the candidate. Independent expenditure includes an expenditure that is subject to the requirements of section 16-917 which requires a copy of campaign literature or advertisement to be sent to a candidate named or otherwise referred to in the literature or advertisement. An expenditure is not an independent expenditure if any of the following applies:

(a) Any officer, member, employee or agent of the political committee making the expenditure is also an officer, member, employee or agent of the committee of the candidate whose election or whose opponent's defeat is being advocated by the expenditure or an agent of the candidate whose election or whose opponent's defeat is being advocated by the expenditure.

(b) There is any arrangement, coordination or direction with respect to the expenditure between the candidate or the candidate's agent and the person making the expenditure, including any officer, director, employee or agent of that person.

(c) In the same election the person making the expenditure, including any officer, director, employee or agent of that person, is or has been:

(i) Authorized to raise or expend monies on behalf of the candidate or the candidate's authorized committees.

(ii) Receiving any form of compensation or reimbursement from the candidate, the candidate's committees or the candidate's agent.

(d) The expenditure is based on information about the candidate's plans, projects or needs, or those of his campaign committee, provided to the expending person by the candidate or by the candidate's agents or any officer, member or employee of the candidate's campaign committee with a view toward having the expenditure made.

12. "In-kind contribution" means a contribution of goods or services or anything of value and not a monetary contribution.

13. "Itemized" means that each contribution received or expenditure made is set forth separately.

14. "Personal monies" means any of the following:

(a) Assets to which the candidate has a legal right of access or control at the time he becomes a candidate and with respect to which the candidate has either legal title or an equitable interest.

(b) Salary and other earned income from bona fide employment of the candidate, dividends and proceeds from the sale of the stocks or investments of the candidate, bequests to the candidate, income to the candidate from trusts established before candidacy, income to the candidate from trusts established by bequest after candidacy of which the candidate is a beneficiary, gifts to the candidate of a personal nature that have been customarily received before the candidacy and proceeds received by the candidate from lotteries and other legal games of chance.

(c) The proceeds of loans obtained by the candidate that are not contributions and for which the collateral or security is covered by subdivision (a) or (b) of this paragraph.

15. "Political committee" means a candidate or any association or combination of persons that is organized, conducted or combined for the purpose of influencing the result of any election in this state or in any county, city, town, district or precinct in this state, that engages in political activity in behalf of or against a candidate for election or retention or in support of or opposition to an initiative, referendum or recall or any other measure or proposition and, in the case of a candidate, that receives contributions or makes expenditures of more than two hundred fifty dollars in connection therewith, notwithstanding that the association or combination of persons may be part of a larger association, combination of persons or sponsoring organization not primarily organized, conducted or combined for the purpose of influencing the result of any election in this state or in any county, city, town or precinct in this state. Political committee includes the following types of committees:

(a) A candidate's campaign committee.

(b) A separate, segregated fund established by a corporation or labor organization pursuant to section 16-920, subsection A, paragraph 3.

(c) A committee acting in support of or opposition to the qualification, passage or defeat of a ballot measure, question or proposition.

(d) A committee organized to circulate or oppose a recall petition or to influence the result of a recall election.

(e) A political party.

(f) A committee organized for the purpose of making independent expenditures.

(g) A committee organized in support of or opposition to one or more candidates.

(h) A political organization.

16. "Political organization" means an organization that is formally affiliated with and recognized by a political party including a district committee organized pursuant to section 16-823.

17. "Political party" means the state committee as prescribed by section 16-825 or the county committee as prescribed by section 16-821 of an organization that meets the requirements for recognition as a political party pursuant to section 16-801 or section 16-804, subsection A.

18. "Sponsoring organization" means any organization that establishes, administers or contributes financial support to the administration of, or that has common or overlapping membership or officers with, a political committee other than a candidate's campaign committee.

19. "Statewide office" means the office of governor, secretary of state, state treasurer, attorney general, superintendent of public instruction, corporation commissioner or mine inspector.

20. "Surplus monies" means those monies of a political committee remaining after all of the committee's expenditures have been made and its debts have been extinguished.

§16-902. Organization of political committees (L93, Ch. 226, Sec. 3.)

A. Each political committee shall have a chairman and treasurer. The position of chairman and treasurer of a single political committee may not be held by the same individual, except that a candidate may be chairman and treasurer of his own campaign committee.

B. The name of each political committee shall include the name of any sponsoring organization, and, in the case of a candidate's campaign committee, the committee's name shall include the name of the candidate who designated the committee pursuant to section 16-903.

C. Each political committee shall designate one or more state banks, federally chartered depository institutions or depository institutions the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration as its campaign depository or depositories. Each political committee shall maintain at least one account and other accounts as the committee deems necessary at a depository or depositories designated by the committee. All withdrawals or disbursements from these accounts require the signature of the treasurer or a designated agent of the political committee.

§16-902.01. Registration of political committees; contents; amendment (L93, Ch. 226, Sec. 3.)

A. Each political committee shall file a statement of organization no later than ten days after designation pursuant to section 16-903 in the case of a candidate's campaign committee, and no later than ten days after becoming a political committee in the case of all other political committees.

B. The statement of organization of a political committee shall include all of the following:

1. The name, address and type of committee.
2. The name, address, relationship and type of any sponsoring organization.
3. The names, addresses, telephone numbers, occupations and employers of the chairman and treasurer of the committee.
4. In the case of a candidate's campaign committee, the name, address, office sought and party affiliation of the candidate.
5. A listing of all banks, safety deposit boxes or other depositories used by the committee.

C. On the filing of a statement of organization, a political committee shall be issued an identification number.

D. The political committee shall file an amended statement of organization reporting any change in the information prescribed in subsection B of this section within ten days after the change.

§16-902.02. Out-of-state political committees; registration; initial reporting (L93, Ch. 226, Sec. 3.)

A political committee that files a statement of organization in this state as prescribed by section 16-902.01, that is registered in another state or pursuant to federal law and that intends to use in this state monies raised before filing its statement of organization shall also file complete copies of its previous campaign finance or other similar reports filed in those other jurisdictions that cover all contributions or receipts for the preceding two years.

§16-903. Candidate's campaign committees; designation; candidate as agent; civil penalty (L93, Ch. 226, Sec. 3.)

A. Each candidate who receives contributions or makes expenditures of more than two hundred fifty dollars in connection with a campaign for public office shall designate in writing a political committee for each election to serve as the candidate's campaign committee. The candidate shall make the designation pursuant to this subsection no

later than ten days after receiving such contributions or making such expenditures.

B. A candidate may have only one campaign committee designated for each election, but a candidate may have more than one campaign committee simultaneously in existence.

C. A political committee that supports or has supported another candidate or more than one candidate may not be designated as a candidate's campaign committee.

D. Any candidate who receives a contribution or any loan for use in connection with the campaign of that candidate for election or who makes a disbursement in connection with that campaign shall be deemed as having received the contribution or loan or as having made the disbursement as an agent of the candidate's campaign committee for purposes of this article.

E. An elected official is not deemed to have offered himself for nomination or election to an office or to have made a formal, public declaration of candidacy within the meaning of section 38-296 solely by his designation of a candidate campaign committee.

F. A person who violates this section is subject to a civil penalty imposed as prescribed in section 16-924 of three times the amount of money that has been received, expended or promised in violation of this section or three times the value in money for an equivalent of money or other things of value that have been received, expended or promised in violation of this section.

§16-904. Treasurer; duties; records; civil penalty (L93, Ch. 226, Sec. 3.)

A. No expenditure may be made for or on behalf of a political committee without the authorization of the treasurer or his designated agent.

B. The treasurer shall maintain a record of all petty cash disbursements pursuant to subsection E, paragraph 4 of this section.

C. All receipts received by a political committee shall be deposited in an account designated pursuant to section 16-902, subsection C. All monies of a political committee shall be segregated from, and may not be commingled with, the monies of any individual other than contributions by an individual.

D. A political committee shall exercise its best efforts to obtain the required information for any incomplete contribution received that is required to be itemized on a campaign finance report pursuant to section 16-915, subsection A, paragraph 3. A political committee will not be deemed to have exercised best efforts to obtain the required information unless the treasurer or his agent has made at least one effort after the receipt of the contribution to obtain the missing information by a written request sent to the contributor or by oral contact with the contributor documented in writing and shall comply with the following:

1. The request must clearly ask for the missing information and inform the contributor that the committee is required by law to obtain the mailing address, occupation and employer of each individual contributor and the mailing address and identification number of each political committee contributor.

2. Any information required for the identification of a contributor received by the political committee after the contribution has been disclosed on a campaign finance report required pursuant to section 16-913 shall be reported on an amended report.

E. The treasurer of a political committee is the custodian of the committee's books and accounts and shall keep an account of all of the following:

1. All contributions or other monies received by or on behalf of the political committee.

2. The identification of any individual or political committee that makes any contribution together with the date and amount of each contribution and the date of deposit into a designated account.

3. Cumulative totals contributed by each individual or political committee.

4. The name and address of every person to whom any expenditure is made, the date, amount and purpose or reason for the expenditure and, except in the case of an expenditure by a candidate's campaign committee, the name of the candidate and the office sought by the candidate if the expenditure was made on behalf of or in opposition to a candidate.

5. All periodic or other statements for each account designated pursuant to section 16-902, subsection C.

F. Unless specified by the contributor or contributors to the contrary, the treasurer shall record a contribution made by check, money order or other written instrument as a contribution by the person whose signature or name appears on the bottom of the instrument or who endorses the instrument before delivery to the committee. If a contribution is made by more than one person in a single written instrument, the treasurer shall record the amount to be attributed to each contributor as specified.

G. All contributions other than in-kind contributions must be made by a check drawn on the account of the actual contributor or by a money order or a cashier's check containing the name of the actual contributor or must be evidenced by a written receipt with a copy of the receipt given to the contributor and a copy maintained in the contribution records of the recipient.

H. The treasurer shall preserve all records required to be kept by this section and copies of all finance reports required to be filed by this article for three years after the filing of the finance report covering the receipts and disbursements evidenced by the records.

I. On request of the attorney general, secretary of state or any other officer with whom any of the committee's finance reports are filed, the treasurer shall provide any of the records required to be kept pursuant to this section.

J. A person who violates this section is subject to a civil penalty imposed as prescribed in section 16-924 of three times the amount of money that has been received, expended or promised in violation of this section or three times the value in money for an equivalent of money or other things of value that has been received, expended or promised in violation of this section.

§16-905. Contribution limitations; civil penalty; complaint; definition
(L94, Ch. 379, Sec. 2.)

A. For an election other than for a statewide office, a contributor shall not give and a candidate or candidate's campaign committee shall not accept contributions of more than:

1. Two hundred fifty dollars from an individual.
2. Two hundred fifty dollars from a single political committee, excluding a political party, not certified under subsection H of this section to make contributions at the higher limits prescribed by paragraph 3 of this subsection and subsection B, paragraph 3 of this section.
3. One thousand two hundred seventy dollars from a single political committee, excluding a political party, certified pursuant to subsection H of this section.

B. For an election for a statewide office, a contributor shall not give and a candidate or a candidate's committee shall not accept contributions of more than:

1. Six hundred forty dollars from an individual.
2. Six hundred forty dollars from a single political committee, excluding a political party, not certified under subsection H of this section to make contributions at the

higher limits prescribed by subsection A, paragraph 3 and paragraph 3 of this subsection.

3. Three thousand two hundred dollars from a single political committee excluding political parties certified pursuant to subsection H of this section.

C. A candidate shall not accept contributions from all political committees, excluding political parties, combined totaling more than six thousand three hundred ninety dollars for an office other than a statewide office, or sixty-three thousand eight hundred eighty dollars for a statewide office.

D. A nominee of a political party shall not accept contributions from all political parties or political organizations combined totaling more than six thousand three hundred ninety dollars for an election for an office other than a statewide office, and sixty-three thousand eight hundred eighty dollars for an election for a statewide office.

E. An individual shall not make contributions totaling more than two thousand five hundred sixty dollars in a calendar year to state and local candidates, political committees contributing to state or local candidates, and political committees advocating the election or defeat of state or local candidates. Contributions to political parties are exempt from the limitations of this subsection.

F. The use of a candidate's personal monies is not subject to the limitations of this section but affects the application of these limitations to the candidate's opponents as follows:

1. For a candidate for an office other than a statewide office:

(a) If a candidate contributes or promises amounts of more than ten thousand dollars of those personal monies, the candidate, within twenty-four hours, excluding Saturdays, Sundays and other legal holidays, shall give written notice of the amount contributed or promised and of the total funds received by the candidate as of the date of the notice to all other candidates for the same office and to the secretary of state if a candidate for the legislature, to the clerk of the board of supervisors if a candidate for a county office or to the city or town clerk if a candidate for a city or town office. Other candidates for the same office and contributors to those candidates are not subject to the limitations of subsections A, B, C and E of this section after receiving the notice until these candidates receive either contributions totaling the amount of personal monies contributed or promised by the candidate giving this notice, as measured from the date the notice is received or receive total funds equal to or greater than the amount of total funds set out in the notice, whichever occurs first.

(b) For each additional accumulation of contributions or promises of that candidate's personal monies that totals at least five thousand dollars, the candidate, within twenty-four hours excluding Saturdays, Sundays and other legal holidays, shall give written notice of the amount contributed or promised and of the total funds received by the candidate as of the date of the notice. The notice shall be given as prescribed in subdivision (a) of this paragraph. Other candidates for the same office and contributors to those candidates are not subject to the limitations of subsections A, B, C and E of this section after receiving the notice until these candidates receive either contributions totaling the amount of personal monies contributed or promised by the candidate giving this notice, as measured from the date the notice is received or receive total funds equal to or greater than the amount of total funds set out in the notice, whichever occurs first.

2. For a candidate for a statewide office:

(a) If a candidate contributes or promises amounts of more than twenty thousand dollars of those personal monies, the candidate, within twenty-four hours, excluding Saturdays, Sundays and other legal holidays, shall give written notice of the amount contributed or promised and of the total funds received by the candidate as of the date of the notice to all other candidates for the same office and to the secretary of state. Other candidates for the same office and contributors to those candidates are not subject to the limitations of subsections A, B, C and E of this section after receiving the notice until these candidates receive either contributions totaling the amount of personal monies contributed or promised by the candidate giving this notice, as measured from the date the notice is received or receive total funds equal to or greater than the amount of total funds set out in the notice, whichever occurs first.

(b) For each additional accumulation of contributions or promises of that candidate's personal monies that totals at least ten thousand dollars, the candidate, within twenty-four hours excluding Saturdays, Sundays and other legal holidays, shall give written notice of the amount contributed or promised and of the total funds received by the candidate as of the date of the notice. The notice shall be given as prescribed in subdivision (a) of this paragraph. Other candidates for the same office and contributors to those candidates are not subject to the limitations of subsections A, B, C and E of this section after receiving the notice until these candidates receive either contributions totaling the amount of personal monies contributed or promised by the candidate giving this notice, as measured from the date the notice is received or receive total funds equal to or greater than the amount of total funds set out in the notice, whichever occurs first.

3. If any notice prescribed by this subsection is not timely given the other candidates are not subject to the

limitations of subsections A, B and C of this section for an additional five hundred dollars for each day the notice was delinquent.

4. Notwithstanding any other provisions of this subsection, the amount of contributions that a candidate may receive which are not subject to the limitations of subsections A, B, C and E of this section shall not be greater than the largest amount of personal contributions, plus any additional amounts due to delinquent notices, made by any other single candidate for the same office.

G. A candidate's campaign committee shall not contribute or transfer monies to another candidate's campaign committee. This subsection and the contribution limitations of this section do not apply to a transfer or contribution of monies made by a candidate's designated campaign committee to another campaign committee designated by that same candidate.

H. Only political committees that received monies from five hundred or more individuals in amounts of ten dollars or more in the one year period immediately before application to the secretary of state for qualification as a political committee pursuant to this section may make contributions to candidates under subsection A, paragraph 3 of this section and subsection B, paragraph 3 of this section. The secretary of state shall obtain information necessary to make the determination that a committee meets the requirements of this subsection and shall provide written certification of the fact to the committee. A political committee certification is valid for two years. A candidate's campaign committee shall not accept a contribution pursuant to this subsection unless it is accompanied by a copy of the certification. All political committees that do not meet the requirements of this subsection are subject to the individual campaign contribution limits of subsection A, paragraph 1 of this section and subsection B, paragraph 1 of this section.

I. The secretary of state shall, biennially, adjust to the nearest ten dollars the amounts in subsections A through F of this section by the percentage change in the Metropolitan Phoenix Consumer Price Index and publish the new amounts for distribution to election officials, candidates and campaign committees. In this subsection, "Metropolitan Phoenix Consumer Price Index" means an index that is based on data published by the Bureau of Business and Economic research, College of Business Administration, Arizona State University, or its successor, and that demonstrates changes in prices in the metropolitan Phoenix area.

J. The following specific limitations and procedures apply:

1. The limits of subsections A through D and F of this section apply to each election for any office or offices which the candidate seeks.

2. The limits of subsections A and B of this section apply to the total contributions from all separate segregated funds established, as provided in section 16-920, by a corporation, labor organization, trade association, cooperative or corporation without capital stock.

3. A contribution by an unemancipated minor child shall be treated as a contribution by his custodial parent or parents for determining compliance with subsection A, paragraph 1, subsection B, paragraph 1 and subsection E of this section.

4. A contribution by an individual or a single political committee to two or more candidates in connection with a joint fund-raising effort shall be divided among the candidates in direct proportion to each candidate campaign committee's share of the expenses for the fund-raising effort.

5. A candidate shall sign and file with his nomination paper a statement that he has read all applicable laws relating to campaign financing and reporting.

6. An individual or political committee shall not use economic influence to induce members of an organization to make contributions to a candidate, collect contributions from members of an organization for transmittal to a candidate, make payments to candidates for public appearances or services which are ordinarily uncompensated or use any similar device to circumvent any of the limitations of this section.

K. A person who violates this section is subject to a civil penalty imposed as prescribed in section 16-924 of three times the amount of money that has been received, expended or promised in violation of this section or three times the value in money for an equivalent of money or other things of value that have been received, expended or promised in violation of this section.

L. Any qualified elector may file a sworn complaint with the attorney general or the county attorney of the county in which a violation of this section is believed to have occurred, and the attorney general or the county attorney shall investigate the complaint for possible criminal or civil action.

M. If the attorney general or county attorney fails to institute an action within forty-five working days after receiving a complaint under subsection L of this section, then the individual filing the complaint may bring a civil action in his own name and at his own expense, with the same effect as if brought by the attorney general or county attorney. The individual shall execute a bond payable to the defendant if the individual fails to prosecute the action

successfully. The court shall award to the prevailing party costs and reasonable attorney fees.

N. If a provision of this section or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the section which can be given effect without the invalid provision or application, and to this end the provisions of this section are severable.

O. For purposes of this section, "total funds" means the sum of all contributions to a candidate and all personal monies contributed or promised by that candidate in that election.

§16-906. Loans; repayments; guarantors (L93, Ch. 226, Sec. 7.)

A. A loan to a political committee or to a candidate made for the purpose of influencing an election that exceeds the lender's contribution limitations prescribed in section 16-905 remains unlawful whether or not it is repaid.

B. A loan to a political committee or to a candidate made for the purpose of influencing an election made within the contribution limitations prescribed in section 16-905 remains a contribution to the extent it remains unpaid. A loan is no longer a contribution to the extent it is repaid.

C. Except as provided in subsection D of this section, the making of a loan that is made for the purpose of influencing an election results in a contribution by each endorser or guarantor. The endorser's or guarantor's contribution is that portion of the total amount of the loan for which he agreed in writing to be liable or, if not stated in writing, the contribution is in the same proportion to the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors. Any reduction in the unpaid balance of the loan reduces proportionately the amount of the contribution of each endorser or guarantor.

D. A loan obtained by a candidate on which the candidate's spouse's signature is required if jointly owned assets are used as collateral or security is not considered a contribution from the candidate's spouse.

§16-907. Prohibited contributions; classification (L93, Ch. 226, Sec. 7.)

A. Any person who makes a contribution in the name of another person or who knowingly permits his name to be used to effect such a contribution and any person who knowingly accepts a contribution made by one person in the name of another person is guilty of a class 6 felony.

B. Except for a contribution to a candidate's campaign committee, an individual or political committee shall not give and a political party or other political committee shall not accept an earmarked contribution.

C. For purposes of this article, a contribution from partnership funds shall only be made in the name of the individual partners who make the contribution.

§16-912. Campaign literature and advertisement sponsors; identification; civil penalty
(L93, Ch. 226, Sec. 8.)

A. A political committee that makes an expenditure for campaign literature or advertisements that expressly advocate the election or defeat of any candidate or that make any solicitation of contributions to any political committee shall include on the literature or advertisement the following disclosure:

1. If authorized or paid for by a candidate, a candidate's campaign committee or an agent of either, the literature or advertisement shall clearly state that it was paid for by the candidate or the candidate's campaign committee.

2. If not authorized or paid for by a candidate, a candidate's campaign committee or any agent of either, the literature or advertisement shall clearly state:

(a) The name of the political committee that paid for the literature or advertisement, the name of the chairman of the political committee and a telephone number where that individual can be contacted.

(b) That the literature or advertisement is not authorized by any candidate or candidate's campaign committee.

B. If the expenditure for the campaign literature or advertisements by a political committee is an independent expenditure, the political committee, in addition to the disclosures required by subsection A of this section, shall include on the literature or advertisement the names and telephone numbers of the two political committees making the largest contributions to the political committee making the independent expenditure. If an acronym is used to name any political committee outlined in this section, the name of any sponsoring organization of the political committee shall also be printed or spoken. For purposes of determining the two contributors to be disclosed, the contributions of each political committee to the political committee making the independent expenditure during the one year period before the election being affected are aggregated.

C. The provisions of subsection A of this section do not apply to bumper stickers, pins, buttons, pens and similar small items on which the statements required in subsection

A of this section cannot be conveniently printed or to signs paid for by a candidate with campaign monies or by a candidate's campaign committee or to a solicitation of contributions by a separate segregated fund from those persons it may solicit pursuant to sections 16-920 and 16-921.

D. The disclosures required pursuant to this section shall be printed clearly and legibly in a conspicuous manner or, if the advertisement is broadcast on a telecommunications system, the disclosure shall be spoken.

E. A person who violates this section is subject to a civil penalty of three times the cost of the literature or advertisement. This civil penalty shall be imposed as prescribed in section 16-924.

§16-913. Campaign finance reports; reporting of receipts and disbursements; exemptions; civil penalty
(L94, Ch. 379, Sec. 3.)

A. Each political committee shall file campaign finance reports setting forth the committee's receipts and disbursements according to the schedule prescribed in subsections B and C of this section.

B. In any calendar year during which there is a regularly scheduled election at which any candidates, measures, questions or propositions appear or may appear on the ballot, the political committee shall file each of the following campaign finance reports:

1. A report covering the period beginning January 1 through May 31, filed no later than June 30.

2. A pre-election report, which shall be filed not less than twelve days before or mailed by certified mail not less than fifteen days before any election and which shall be complete through the twentieth day before the election.

3. A post-election report, which shall be filed not less than thirty days after any election and which shall be complete through the twentieth day after the election.

C. In any other calendar year, the political committee shall file a report covering the period beginning twenty-one days after the date of the election in the preceding calendar year through December 31 of the nonelection year filed no later than January 31 of the following calendar year.

D. In the event that a political committee receives no contributions and makes no expenditures during a period in which it is required to file a campaign finance report, the committee treasurer or if the treasurer is unavailable the candidate may, in lieu of filing a report required by subsection B of this section, sign and file a notarized form

prescribed by the secretary of state indicating no activity during the specific reporting period.

E. In lieu of the reports prescribed in subsections B and C of this section, a candidate's political committee that remains active after an election due to outstanding debts may file a notarized document no later than January 31 in a form prescribed by the secretary of state that states that the committee does not intend to receive any contributions or make any expenditures during the year. If a candidate's political committee does receive a contribution or make an expenditure during that year, the committee shall report as prescribed by subsection B or C of this section.

F. A judge who has filed a declaration of his desire to be retained in office is exempt from filing any report required by this section if the judge, not later than twelve days before the general election, files a statement signed and sworn to by him certifying that he has received no contributions, has made no expenditures and has no campaign committee and that he does not intend to receive contributions, make expenditures or have a campaign committee for the purpose of influencing the result of the vote on the question of his retention. With respect to superior court judges, a statement filed pursuant to this subsection is effective until the earlier of twelve days before the third general election following the filing of this statement or the judge receives contributions, makes expenditures or authorizes a campaign committee. Such a statement filed by a supreme court justice or a court of appeals judge is effective until the earlier of twelve days before the fourth general election following the filing of this statement or the justice or judge receives contributions, makes expenditures or authorizes a campaign committee.

G. Reports in connection with special, recall or runoff elections shall conform to the filing deadlines set forth in subsection B of this section.

H. Except as provided in section 16-916, subsection B, a political committee shall comply with the requirements of this section in each jurisdiction in this state in which the committee has filed a statement of organization until the committee terminates pursuant to section 16-914, and its statements, designations and reports shall be filed with each officer with whom it has filed a statement of organization, as appropriate.

I. Each report required to be filed pursuant to this section shall be signed by the committee treasurer or the candidate if the treasurer is unavailable and shall contain the certification of the signor under penalty of perjury that the report is true and complete.

J. A person who violates this section is subject to a civil penalty of fifty dollars for each day of violation not to exceed one thousand dollars.

§16-914. Termination statement (L93, Ch. 226, Sec. 10.)

A. A political committee may terminate only when the committee chairman and treasurer file a written statement with the officer with whom the committee's statement of organization is filed certifying under penalty of perjury that it will no longer receive any contributions or make any disbursements, that the committee has no outstanding debts or obligations and that any surplus monies have been disposed of pursuant to section 16-915.01 together with a statement of the manner of disposition of the surplus, the name and address of each recipient of surplus monies and the date and amount of each disposition of surplus monies.

B. After the filing of an appropriate termination statement, a political committee is not required to file any subsequent campaign finance reports and shall have no further receipts or disbursements without filing a new statement of organization.

§16-914.01. Reporting of contributions by committees acting on ballot measures (L91, 1SS, Ch. 1, Sec. 4.)

A. In addition to the requirements relating to election contributions prescribed in section 16-914(*), a committee acting in support of or opposition to the qualification, passage or defeat of an initiative or referendum or any other ballot measure, question or proposition shall give notice to the secretary of state of any contribution or group of contributions to the committee from a single source less than twenty days before the day of the election if it exceeds:

1. Twenty-five thousand dollars for a statewide ballot measure, question or proposition.
2. Two thousand five hundred dollars for nonstatewide legislation in a political subdivision with a population of one hundred thousand or more persons.
3. Five hundred dollars for nonstatewide legislation in a political subdivision with a population of less than one hundred thousand persons.

B. This notice shall be filed within twenty-four hours, excluding Saturdays and Sundays and other legal holidays, after the contribution is received and shall include the identification of the contributor, the date of receipt and the amount of the contribution. Contributions subject to the

notification requirements of this section shall be included in the next report filed pursuant to section 16-914(*).

§16-915. Contents of campaign finance reports
(L93, Ch. 226, Sec. 10.)

A. Each campaign finance report required by section 16-913 shall set forth all of the following:

1. The amount of cash on hand at the beginning of the reporting period.

2. For the reporting period and the election, the total amount of all receipts and an itemized list of all receipts in the following categories, together with the total of all receipts in each category:

(a) Contributions from individuals.

(b) Contributions from political committees.

(c) For a candidate's campaign committee, the candidate's contribution or promise of personal monies, including loans guaranteed by the candidate.

(d) All other loans.

(e) Rebates, refunds and other offsets to operating expenditures.

(f) Dividends, interest and other forms of receipts.

(g) The value of in-kind contributions.

3. The identification of each:

(a) Individual who makes any contribution during the period covered by the report whose total contribution or contributions for that election have an aggregate amount exceeding twenty-five dollars together with the date and amount of the contributions, except as provided in subsection E of this section. Contributions of twenty-five dollars or less may be aggregated.

(b) Political committee that makes a contribution during the period covered by the report together with the date and amount of the contribution.

(c) Person who makes a loan during the period covered by the report, together with the identification of any endorser or guarantor of the loan and the amount endorsed or guaranteed by each, and the date and amount of the loan.

(d) Person who provides any rebate, refund or other offset to operating expenditures during the period covered by the report together with the date and amount of the receipt.

(e) Person who provides a dividend, interest or other receipt during the period covered by the report together with the date and amount of the receipt.

4. For the reporting period and the election, the total amount of all disbursements and an itemized list of all disbursements in the following categories together with the total of all disbursements in each category:

(a) Expenditures, other than a contract, promise or agreement to make an expenditure resulting in an extension of credit, made to meet committee operating expenses.

(b) Transfers to other political committees.

(c) For a candidate's campaign committee, the repayment of loans made or guaranteed by the candidate.

(d) Repayment of all other loans.

(e) Refunds of contributions received and other offsets to contributions.

(f) Loans made by the reporting political committee.

(g) The value of in-kind contributions received.

(h) Independent expenditures together with the information required pursuant to subsection F.

(i) Any other disbursements.

5. The name and address of each recipient of an expenditure made during the period covered by the report and, in the case of a disbursement to a political committee, the identification number issued on the filing of a statement of organization as prescribed by section 16-902.01, together with the date, amount of the expenditure and a clear description of the items or services purchased.

6. An itemized account of the campaign debts and extensions of credit that are owed by the candidate or political committee and that remain outstanding including the name and address of the obligee or creditor, the amount owed, whether the amount is certain or estimated and on what basis, and the purpose of the obligation. An obligation that is itemized on a campaign finance report shall be listed on all subsequent finance reports until extinguished.

7. The total sum of all receipts, together with the total receipts less offsets, and the total sum of all disbursements, together with the total disbursements less offsets, for both the period covered by the report and the election.

B. The amount of an in-kind contribution shall be equal to the usual and normal value on the date received by the political committee as determined by generally accepted accounting principles.

C. Campaign finance reports shall be cumulative for the election to which they relate, but if there has been no change during the period covered by a report in an item listed in a previous report for that election, only the amount need be carried forward.

D. A candidate's campaign committee or a political committee that makes contributions to candidates and that has received prior contributions from an individual or a political committee for an election shall show in each report for that election the cumulative total received from that source.

E. In the case of a political committee that receives contributions through a payroll deduction plan, that committee is not required to separately itemize each

additional contribution received from the contributor during the reporting period. In lieu of the separate itemization required by subsection A, paragraph 2 of this section, the committee may report all of the following:

1. The aggregate amount of contributions received from the contributor through the payroll deduction plan during the reporting period.
2. The identification of the individual.
3. A statement of the amount deducted per pay period.

F. An independent expenditure report shall contain all of the following:

1. The name and address of any person to whom an independent expenditure was made.
2. The date and amount of the independent expenditure.
3. The purpose of the independent expenditure including a description of what was purchased.
4. The name of each candidate whose election or defeat was advocated by the expenditure and, for each such candidate, the office sought by the candidate and the year of the election.
5. The names, occupations, employers and amount contributed by each of the three contributors that contributed the most money within the preceding six months provided that if any other contributor contributed the same amount during this time period as any of the top three contributors the information shall be provided for that contributor as well. If any of these contributors is a political committee, the report shall include the names, occupations and employers of the committee's chairman and treasurer.
6. Under penalty of perjury, a certification stating whether or not the claimed independent expenditure is made in cooperation, consultation or concert with or at the request or suggestion of any candidate or any campaign committee or agent of that candidate.

§16-915.01. Disposal of surplus monies (L93, Ch. 226, Sec. 11.)

A. A political committee shall dispose of surplus monies only as follows:

1. Retain surplus monies for use in a subsequent election, which includes a transfer by a candidate's campaign committee to that candidate's campaign committee designated for a subsequent election.
2. Return surplus monies to the contributor to the extent records are available permitting such return.
3. Contribute surplus monies to the county, state or local committee of a political party.
4. Donate the surplus monies to a charitable organization that qualifies under section 501 (c)(3) of the United States Internal Revenue Code.

5. In the case of a political committee other than a candidate's committee, contribute surplus monies to a candidate's campaign committee if the contribution is within the limitations of section 16-905.

6. Donate surplus monies to a political committee other than a candidate's campaign committee.

7. Dispose of the surplus monies in any other lawful manner.

B. From and after December 31, 1992, surplus monies shall not be used for or converted to the personal use of a candidate or any person related to the candidate by blood or marriage. Nothing in this subsection precludes the repayment of a loan made by a candidate to his campaign.

§16-916. Filing statements of contributions and expenditures; public inspection (L93, Ch. 226, Sec. 12.)

A. Except as provided in subsection B of this section, the statements, designations and reports required to be filed pursuant to this article shall be filed in the office of the secretary of state for political committees supporting or opposing candidates for state offices and members of the legislature, for justices of the supreme court, for judges of the court of appeals and for a statewide initiative or referendum or any measure or proposition appearing on a state general election ballot, with the clerk of the board of supervisors for political committees supporting or opposing candidates for county offices, school district governing board members or ballot questions, community college district governing board members or ballot questions, judges of the superior court seeking retention, special taxing districts and a county initiative or referendum or any measure or proposition appearing on a county election ballot and with the city or town clerk for political committees supporting or opposing candidates for city or town offices and for a city or town initiative or referendum or any measure or proposition appearing on a city or town election ballot.

B. An original and one copy of the reports required pursuant to section 16-913 for the office of member of the legislature shall be filed with either the clerk of the board of supervisors of the county of the candidate's residence or with the secretary of state. If the candidate files with the clerk of the board of supervisors, the clerk shall transmit the copy to the secretary of state within five days, excluding Saturdays, Sundays and other legal holidays. If the candidate files with the secretary of state, the secretary of state shall transmit the copy to the clerk of the board of supervisors of the county of the candidate's residence within five days, excluding Saturdays, Sundays and other legal holidays.

C. Except as provided in section 16-913, subsection B, paragraph 2, for all statements, designations and reports that are filed pursuant to this article and that are sent to the filing officer by certified mail, the date of the postmark shall be deemed the date of filing. For all other statements, designations and reports, the date of filing is the date of actual receipt by the officer with whom the document is required to be filed.

D. If the date for filing any statement, designation or report required by this article is a Saturday, a Sunday or another legal holiday, the filing deadline is the next day that is not a Saturday, a Sunday or another legal holiday.

§16-917. Independent expenditures; twenty-four hour notice; civil penalty
(L93, Ch. 226, Sec. 14.)

A. A political committee that makes independent expenditures for literature or an advertisement relating to any one candidate or office within ten days before the day of any election to which the expenditures relate, shall send by certified mail a copy of the campaign literature or advertisement to each candidate named or otherwise referred to in the literature or advertisement twenty-four hours before depositing it at the post office for mailing, twenty-four hours before submitting it to a telecommunications system for broadcast or twenty-four hours before submitting it to a newspaper for printing.

B. The copy of the literature or advertisement sent to a candidate pursuant to subsection A of this section shall be a reproduction that is clearly readable, viewable or audible.

C. An expenditure by a political committee or a person that does not meet the definition of an independent expenditure is an in-kind contribution to the candidate and a corresponding expenditure by the candidate unless otherwise exempted.

D. A person who violates this section is subject to a civil penalty of three times the cost of the literature or advertisement that was distributed in violation of this section. This civil penalty shall be imposed as prescribed in section 16-924.

§16-918. Failure to make and file or failure to sign and swear statement of contributions and expenditures; prohibition on campaigning; classification; penalties

A. A person who knowingly refuses or fails to make and file any statement of contributions and expenditures required by this article within the time specified is guilty of a class 1 misdemeanor, and if such person is a candidate, any such candidate's name shall not appear upon the ballot. If the ballot is printed before conviction, he shall be denied the right to hold office, if elected.

B. A campaign committee which fails or refuses to file any statement of contributions and expenditures required by this article within the time specified, or any officer or member of the committee or any other person acting under the authority of the committee or in its behalf, shall not engage in political activity or receive money or its equivalent or things of value or expend or promise to expend money or its equivalent or things of value on behalf of the committee until the statement is filed.

C. A person who knowingly fails or refuses to sign and swear to any statement filed pursuant to this article is guilty of a class 1 misdemeanor.

D. A candidate who within the preceding five years knowingly refused or failed to make and file any statement of contributions and expenditures required by this article shall not offer himself for nomination or election to any salaried local or state office. For the purpose of this subsection, a failure by a candidate to file any statement of contributions and expenditures required by this article within thirty days of receiving a second written notification by the officer with whom the statement is to be filed of his failure to file the statement is deemed a knowing failure to file.

Text of section effective until January 1, 1996

§16-919. Prohibition of contributions by corporations or labor organizations; exemption; classification; definitions

A. It is unlawful for a corporation or a limited liability company to make any contribution of money or anything of value for the purpose of influencing an election. This subsection does not apply to political committees that are incorporated pursuant to title 10, chapter 5 and political committees that are organized as limited liability companies.

B. It is unlawful for a labor organization to make any contribution of money or anything of value for the purpose of influencing an election.

C. A corporation or labor organization which violates this section is guilty of a class 2 misdemeanor.

D. The person through whom the violation is effected is guilty of a class 6 felony.

E. Notwithstanding subsection A of this section, a political committee that is incorporated only for the purposes of liability limitation may make contributions for the purpose of influencing an election. Notwithstanding the corporate status of a political committee, the chairman and treasurer of an incorporated political committee remain personally responsible for carrying out their respective duties under this article.

F. For the purposes of this section:

1. "Election" means any election to any political office, any election to any political convention or caucus, or any primary election held for the purpose of selecting any candidate, political committee or other person for any political office, convention or caucus.

2. "Employee" shall include any employee, shall not be limited to the employees of a particular employer, and shall include any individual whose work has ceased as a consequence of, or in connection with, any current labor dispute or because of any unfair labor practice.

3. "Employer" includes any person acting as an agent of an employer, directly or indirectly.

4. "Labor organization" means any organization of any kind or any agency or employee representation committee or plan in which employees participate and which exists for the purpose in whole or in part of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment or conditions of work.

Text of section effective January 1, 1996

§16-919. Prohibition of contributions by corporations, limited liability company or labor organizations; exemption; classification; definitions
(L94, Ch. 223, Sec. 86.)

A. It is unlawful for a corporation or a limited liability company to make any contribution of money or anything of value for the purpose of influencing an election. This subsection does not apply to political committees that are incorporated pursuant to title 10, chapter 22 and political committees that are organized as limited liability companies.

B. It is unlawful for a labor organization to make any contribution of money or anything of value for the purpose of influencing an election.

C. A corporation, limited liability company or labor organization which violates this section is guilty of a class 2 misdemeanor.

D. The person through whom the violation is effected is guilty of a class 6 felony.

E. Notwithstanding subsection A of this section, a political committee that is incorporated only for the purposes of liability limitation may make contributions for the purpose of influencing an election. Notwithstanding the corporate status of a political committee, the chairman and treasurer of an incorporated political committee remain personally responsible for carrying out their respective duties under this article.

F. For the purposes of this section:

1. "Election" means any election to any political office, any election to any political convention or caucus, or any primary election held for the purpose of selecting any candidate, political committee or other person for any political office, convention or caucus.

2. "Employee" shall include any employee, shall not be limited to the employees of a particular employer, and shall include any individual whose work has ceased as a consequence of, or in connection with, any current labor dispute or because of any unfair labor practice.

3. "Employer" includes any person acting as an agent of an employer, directly or indirectly.

4. "Labor organization" means any organization of any kind or any agency or employee representation committee or plan in which employees participate and which exists for the purpose in whole or in part of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment or conditions of work.

§16-920. Permitted expenditures by corporations and labor organizations

A. Expenditures for the following purposes shall not be construed to be political contributions prohibited by law:

1. Communications by a corporation to its stock holders and executive or administrative personnel and their families, or by a labor organization to its members and their families, on any subject.

2. Nonpartisan registration and get-out-the-vote campaigns by a corporation aimed at its stockholders and executive or administrative personnel and their families or by a labor organization aimed at its members and their families.

3. The establishment, administration and solicitation or voluntary contributions to a separate segregated fund to be utilized for political purposes by a corporation, labor organization, membership organization, trade association, cooperative or corporation without capital stock.

4. Contributions for use to support or oppose an initiative or referendum measure or amendment to the constitution.

B. A membership organization, trade association, cooperative or corporation without capital stock may engage in the activities permitted in paragraphs 1 and 2 of subsection A if such activities are directed toward its members, stockholders or members of its members, its and its members' executive or administrative personnel, and their families.

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